



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 27, 2012

Eileen Dalton, Redevelopment Director
Alameda County Community Development Agency
224 W. Winton Avenue, #110
Hayward, CA 94544

Dear Ms. Dalton:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the County of Alameda Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligation (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that the following items do not have valid contracts executed by June 27, 2011.
 - Item 18 on page 2, in the amount of \$9.4 million for Public Improvement Agreement with Alameda County and the related items 18a, 18b, and 18c in the amount of \$270,900. It is our understanding that no third party contracts were entered into prior to June 28, 2011. The design contract (item 18a) was executed in August 2011.
 - Item 34 on page 2, in the amount of \$14.3 million in unexpended bond proceeds. No contracts have been executed for anticipated projects.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Cindie Lor, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: On following page

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cc: Ms. Carol S. Orth, Tax Analysis Division Chief, Alameda County Auditor Controller